

Commonwealth of Virginia EMPLOYEE COMPENSATION



Virginia Department of Human Resource Management
October 5, 2011

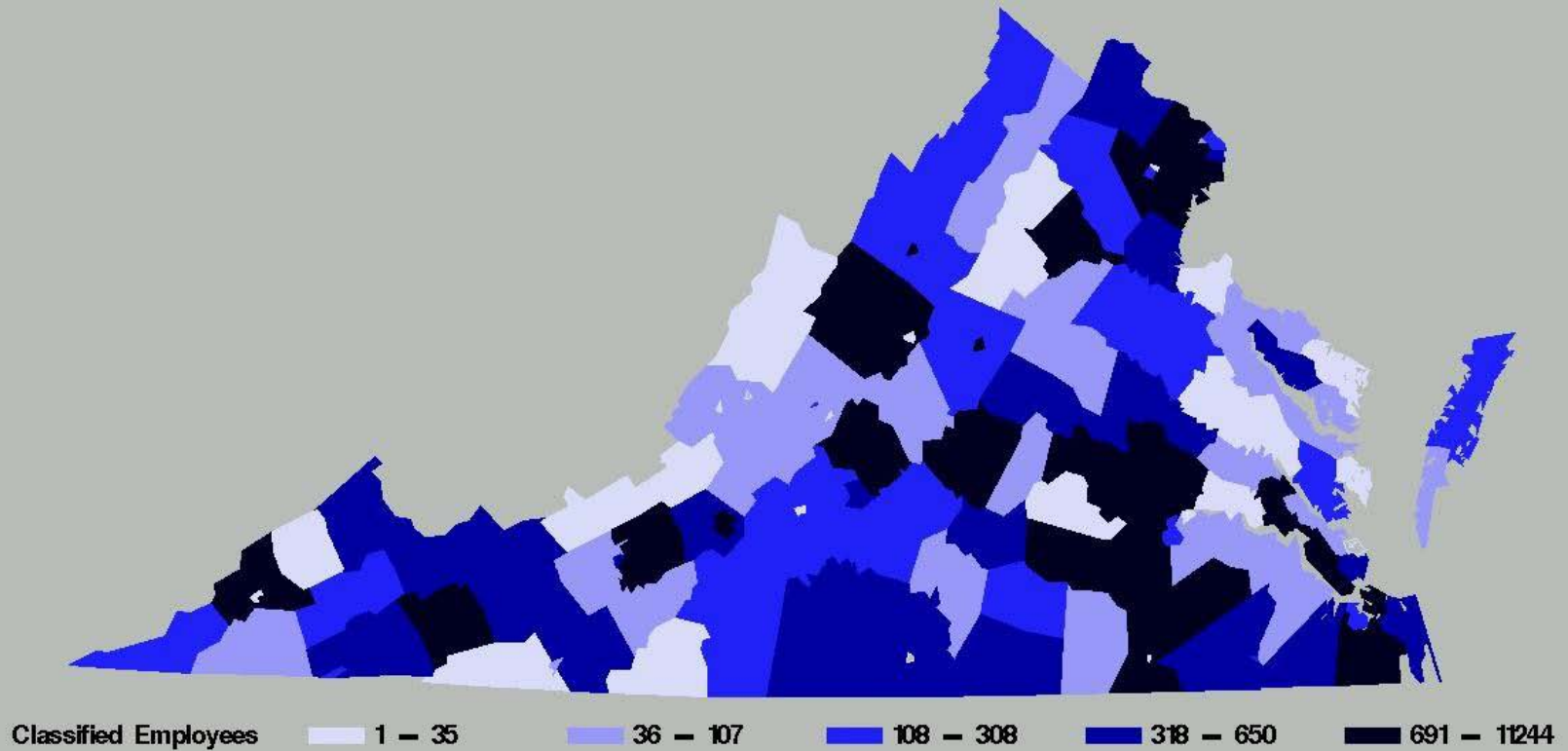
Classified Employees Salaries

■ Average salary	\$43,843
■ Median Salary	\$38,957
■ Lowest Salary	\$15,371
■ Highest Salary	\$247,890

Source: PMIS Data Warehouse

Classified Employees by County

Classified Employees by County as of 8/31/2011

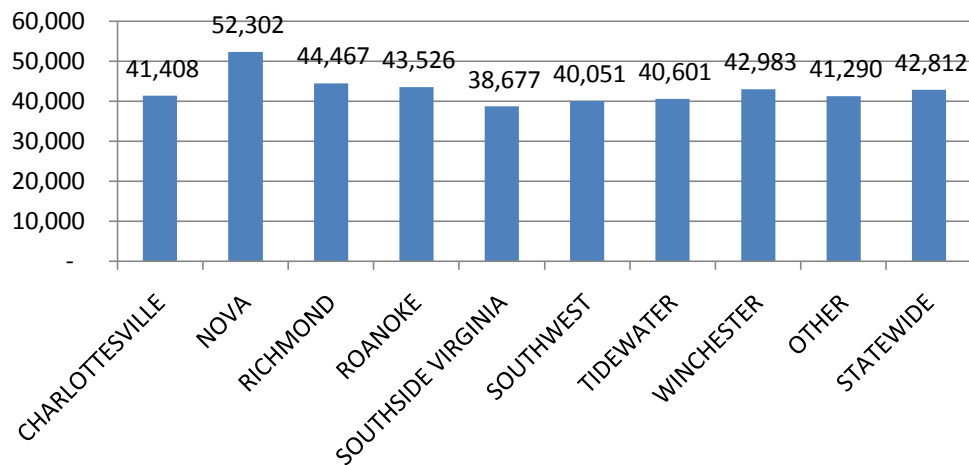


Source: PMIS Data Warehouse

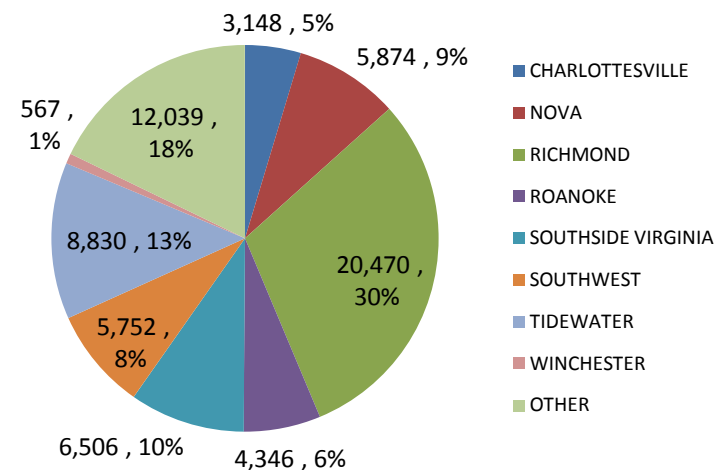
Employee Salary by Region

- Highest average salary is in Northern Virginia at \$52,302, 22.2% higher than the statewide average
- Lowest average salary is in Southside Virginia at \$38,677, 9.7% lower than the statewide average

Average Salary



Employee Location



Source: PMIS Data Warehouse

Classified Employees

Pay Bands

- Pay Band 3 has the most employees

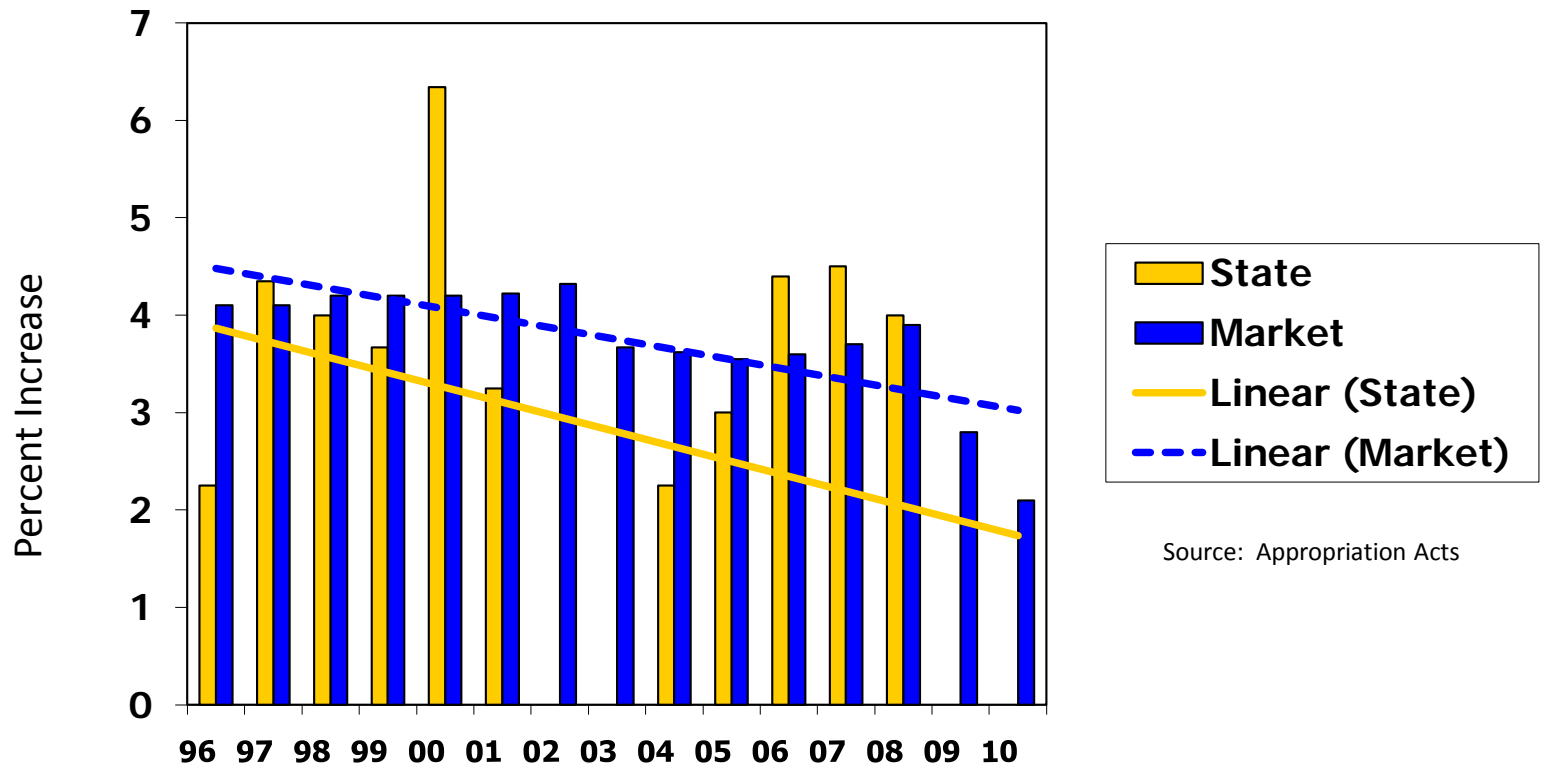
BANDS	RANGE		EMPLOYEES	
	Minimum	Maximum	Number	Percent
1	\$ 15,371	\$ 31,548	2,696	3.90%
2	\$ 20,082	\$ 41,214	9,817	14.21%
3	\$ 23,999	\$ 49,255	23,466	33.97%
4	\$ 31,352	\$ 64,347	17,346	25.11%
5	\$ 40,959	\$ 84,062	11,626	16.83%
6	\$ 53,510	\$ 109,818	3,513	5.09%
7	\$ 69,907	\$ 143,470	404	0.58%
8	\$ 91,324	\$ 187,430	199	0.29%
9	\$ 119,308	MARKET	15	0.02%

Source: PMIS data as of September 2, 2010

State Employee Salary Comparison

Market Increases

- State employee salary increases lag the market

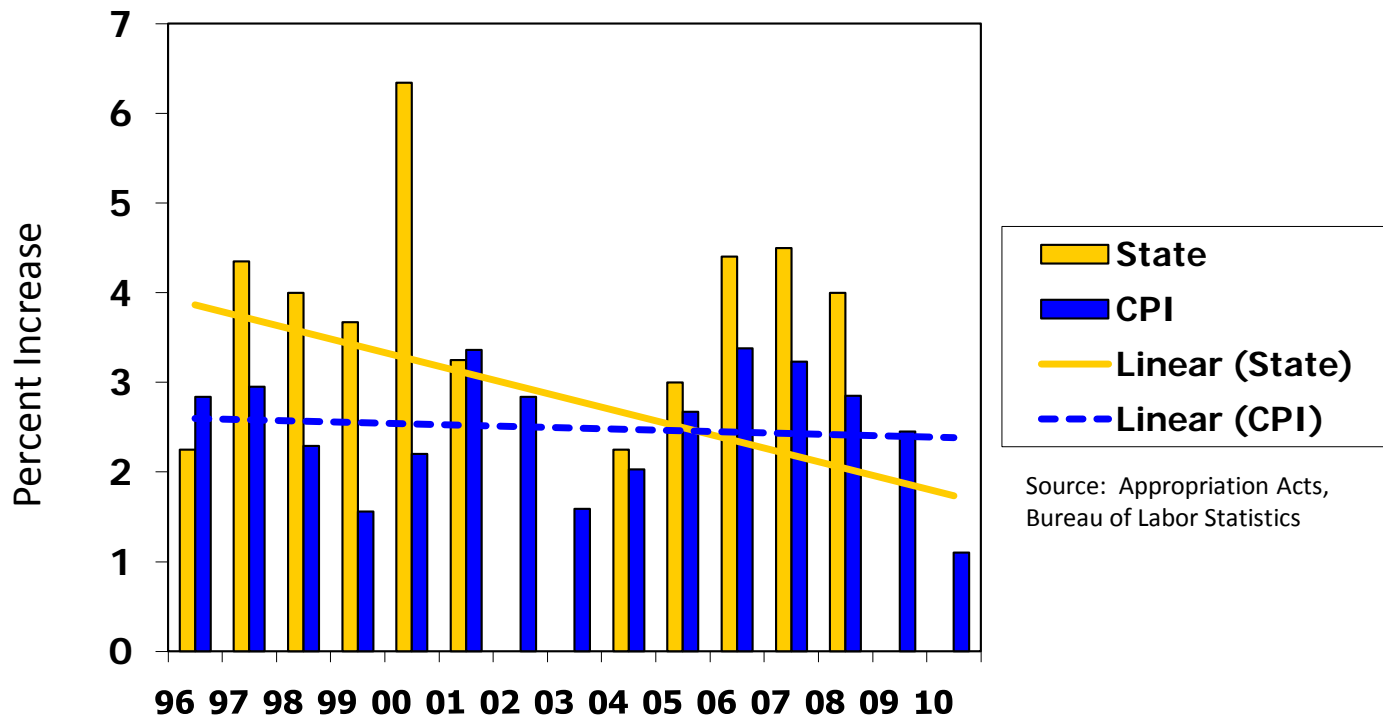


Source: Appropriation Acts

State Employee Salary Comparison

CPI Increases

- Consumer Price Index increases have surpassed State employee salary increases



State Employee Salary Comparison

Private Sector Salary

- On average, State salaries for selected occupations are 23.5% below Private Industry
- In 2008, JLARC found State compensation 12% below market
- By the end of 2011, State salaries will be 26.1% below market due to cumulative market movements

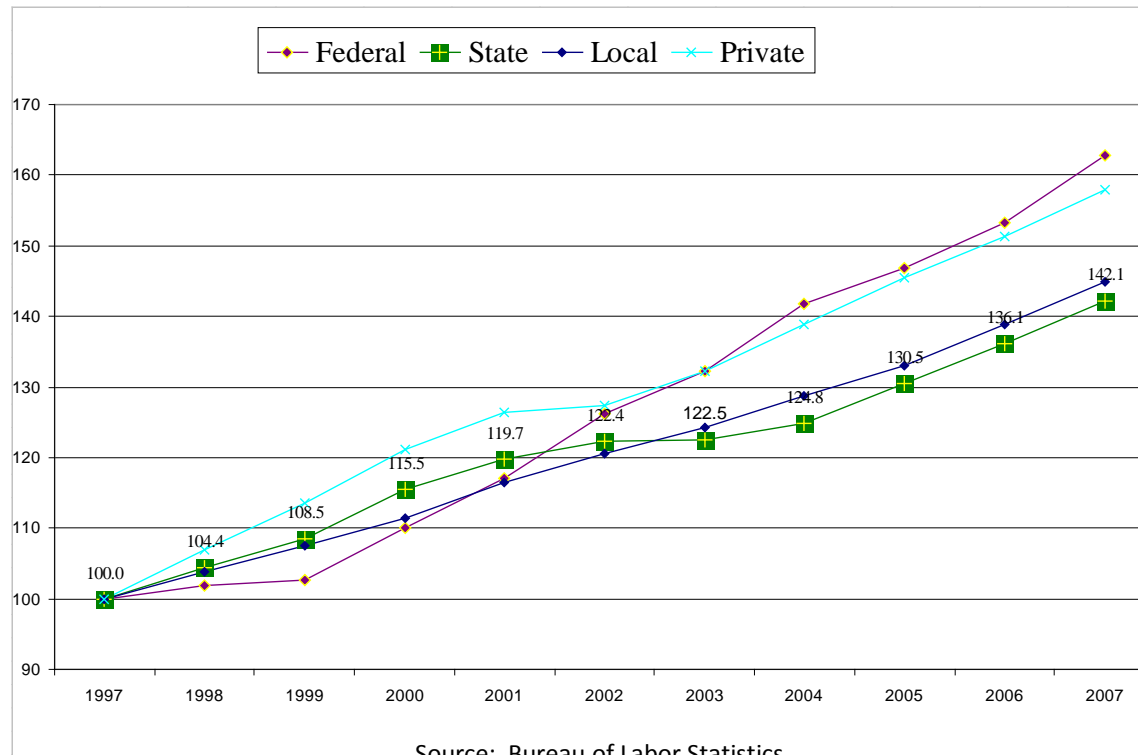
Occupation	Private Industry	State	Deviation
Truck Driver, Light	28135	19266	-46.04%
Cook	29568	24219	-22.08%
Security Guard, Unarmed	28033	25016	-12.06%
Laboratory Aide	27800	26004	-6.91%
Mail Clerk	32023	26143	-22.49%
Cashier	31205	29673	-5.16%
Secretary	38264	29621	-29.18%
Yard Laborer/Janitorial Supv	43993	31814	-38.28%
Maintenance Electrician	47881	37051	-29.23%
Marketing Specialist	50337	40985	-22.82%
Medical lab Tech	41200	42094	2.12%
Accountant	51360	43863	-17.09%
Social Worker (MSW)	53600	45130	-18.77%
Employee Training Specialist	54122	45339	-19.37%
Staff RN	61900	47366	-30.68%
Internal Auditor	71412	47590	-50.06%
Chemist	67218	55327	-21.49%
Attorney	111825	56349	-98.45%
HR Admin Supv	69673	58599	-18.90%
Environmental Engineer	64967	60879	-6.71%
Architect	81336	62267	-30.63%
Physical Therapist	71700	70672	-1.45%
Systems Analysis Supv	84610	76972	-9.92%
Data Base Administrator	91261	81979	-11.32%
Generic Engineer Supv	106300	87607	-21.34%

Source: PMIS, Towers Watson, Spring 2009 and 2010

State Employee Salary Comparison

Average Weekly Wage

- Indexed to 1997 weekly wage
- State wages below all sectors since 2003



State Employee Salary Comparison

Selected Localities

- State dropped below the locality average in FY 08

BASE SALARY INCREASES					
Locality	FY-05	FY-06	FY-07	FY-08	FY-09
Richmond City	3.00%	3.00%	3.00%	3.00%	3.00%
Charlottesville	3.00%	4.00%	4.00%	4.00%	4.00%
Montgomery County	5.50%	4.80%	2.50%	6.77%	5.50%
Fairfax County	4.32%	4.37%	4.40%	4.98%	4.98%
Chesterfield County	4.00%	3.00%	4.00%	5.25%	5.25%
Norfolk	4.00%	4.00%	4.50%	4.50%	3.50%
Chesapeake	3.00%	4.00%	4.00%	4.50%	4.50%
Augusta County	4.00%	4.00%	3.83%	3.06%	3.06%
Locality Average	3.85%	3.90%	3.78%	4.51%	4.22%
State Employees	3.00%	4.40%	4.50%	4.00%	0.00%

Source: DHRM survey

Pay Ranking of States

State	Federal Government		State Gov		Local Gov		Private Industry		State Avg as % of Private Avg	State Ranking
	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking		
Alabama	70,424	4	46,504	25	36,167	30	39,270	33	118%	17
Alaska	68,442	9	51,541	12	43,569	16	47,150	13	109%	28
Arizona	62,856	26	44,745	30	41,742	18	42,860	19	104%	37
Arkansas	58,247	40	40,214	43	33,022	43	35,814	46	112%	25
California	69,219	7	58,951	4	54,504	2	52,553	5	112%	26
Colorado	68,956	8	51,206	13	41,569	20	47,916	10	107%	31
Connecticut	65,263	19	60,466	2	50,140	8	60,396	2	100%	41
Delaware	59,847	35	48,516	20	47,156	11	48,592	9	100%	42
Florida	64,322	23	42,752	35	45,258	12	40,562	29	105%	36
Georgia	66,659	13	39,373	48	36,531	29	44,311	17	89%	50
Hawaii	66,583	14	41,980	37	54,477	3	39,294	32	107%	32
Idaho	58,147	41	39,359	49	31,069	49	34,611	47	114%	22
Illinois	67,552	11	60,070	3	44,450	13	49,523	6	121%	13
Indiana	59,922	34	41,378	40	35,637	38	39,226	34	105%	35
Iowa	56,499	45	56,250	7	35,815	37	37,429	41	150%	1
Kansas	58,056	43	46,809	24	31,238	48	39,431	31	119%	16
Kentucky	56,020	47	41,614	38	35,928	36	38,373	37	108%	30
Louisiana	61,942	28	46,168	26	36,065	33	41,470	22	111%	27
Maine	62,840	27	42,770	34	34,618	40	36,582	45	117%	18
Maryland	88,914	1	47,597	21	50,253	7	49,496	7	96%	44
Massachusetts	69,450	6	56,277	6	49,778	9	58,359	3	96%	43
Michigan	64,120	25	55,810	8	43,898	14	43,631	18	128%	4
Minnesota	61,551	30	54,488	10	40,998	21	46,984	14	116%	19
Mississippi	59,603	37	39,975	44	32,082	46	33,537	49	119%	15
Missouri	60,969	32	37,515	50	36,042	35	40,852	28	92%	47

Source: Bureau of Labor Statistics data based on payroll records of what is actually paid out to employees as reported quarterly to employment commissions

Pay Ranking of States

- Virginia Pay Ranking
 - 2nd in Federal Government
 - 8th in Private Industry
 - 23rd in Local Government
 - 32nd in State Government
 - 48th in State Average as a percent of Private average

State	Federal Government		State Gov		Local Gov		Private Industry		State Avg as % of Private Avg	State Ranking
	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking		
Montana	57,117	44	41,303	41	33,898	41	33,244	50	124%	6
Nebraska	58,421	39	44,786	29	36,049	34	36,686	44	122%	10
Nevada	61,438	31	50,125	18	52,088	6	40,899	26	123%	9
New Hampshire	66,748	12	47,377	22	39,716	25	46,287	15	102%	40
New Jersey	70,330	5	63,263	1	56,993	1	55,736	4	114%	23
New Mexico	64,792	20	46,118	27	35,319	39	37,927	40	122%	11
New York	65,780	18	55,034	9	52,650	5	61,548	1	89%	49
North Carolina	58,908	38	44,544	31	38,499	26	40,874	27	109%	29
North Dakota	54,816	50	43,421	33	31,829	47	38,028	38	114%	20
Ohio	66,233	16	50,618	17	41,602	19	41,040	24	123%	7
Oklahoma	61,787	29	39,651	45	33,107	42	38,011	39	104%	38
Oregon	64,123	24	42,173	36	42,735	17	40,984	25	103%	39
Pennsylvania	64,532	22	51,723	11	43,747	15	45,325	16	114%	21
Rhode Island	73,950	3	58,945	5	52,975	4	42,525	20	139%	2
South Carolina	58,096	42	41,386	39	37,762	28	36,785	43	113%	24
South Dakota	55,560	48	41,185	42	29,731	50	33,887	48	122%	12
Tennessee	66,343	15	39,568	46	36,118	31	41,760	21	95%	46
Texas	65,804	17	45,279	28	39,872	24	47,610	12	95%	45
Utah	59,828	36	47,184	23	32,471	45	38,936	35	121%	14
Vermont	60,960	33	48,681	19	36,067	32	38,636	36	126%	5
Virginia	83,033	2	44,361	32	39,914	23	49,138	8	90%	48
Washington	67,646	10	51,006	14	47,655	10	47,861	11	107%	33
West Virginia	64,662	21	39,389	47	33,022	44	36,991	42	106%	34
Wisconsin	56,032	46	50,977	15	38,427	27	39,556	30	129%	3
Wyoming	55,247	49	50,846	16	40,138	22	41,258	23	123%	8

Source: Bureau of Labor Statistics data based on payroll records of what is actually paid out to employees as reported quarterly to employment commissions

National Pay Raise Forecast

- 3% average increase in base pay for U.S. workers is expected

Pay Raise Forecasts: A 3% Consensus	
Forecaster	2012 Median Raise Forecasted
Hay Group	3.0%
Duke University/CFO Magazine Global Business Outlook Survey	3.0%
WorldatWork	4.0% - high performers 2.7% - middle performers 0.7% - low performers
Mercer	3.0%

Source: SHRM

National - 2012 Compensation Forecast

Average Base Pay Increase

- 97% of U.S. organizations plan to award base pay increases in 2012

AVERAGE BASE PAY INCREASE BY EMPLOYEE GROUP				
Employee Group	Actual 2011 Salary Increases		Projected 2012 Salary Increases	
	(excluding 0s)	(including 0s)	(excluding 0s)	(including 0s)
All employees	2.9%	2.7%	3.0%	2.9%
Executives	3.0%	2.8%	3.0%	2.9%
Management	2.9%	2.7%	3.0%	2.9%
Professional (sales & nonsales)	2.8%	2.7%	3.0%	2.9%
Office/clerical/technician	2.8%	2.7%	2.9%	2.9%
Trades/production/service	2.8%	2.7%	2.9%	2.8%
Source: Mercer, 2011/2011 U.S. Compensation Planning Survey Report				

National Performance Pay Increase

- Highest-rated performers earn performance pay increases 11 times higher than the lowest-rated performers

Pay Increase as a Function of Performance		
	Percent of Workforce	Average Pay Increase
Highest-rated	8%	4.4%
Next highest-rated	30%	3.6%
Middle-rated	54%	2.8%
Low-rated	6%	1.2%
Lowest-rated	2%	0.4%
Source: Mercer, 2010/2012 U.S. Compensation Planning Survey Report		

National

Pay for Performance Objectives

- Top objectives include to attract/retain/reward talented employees and to drive specific behaviors/results.

PAY FOR PERFORMANCE – PRIMARY PLAN OBJECTIVES	
• Attract, retain or reward talented employees	90%
• Drive specific behaviors or results	64%
• Encourage employee engagement	41%
• Motivate employees to work harder	34%
• Best way to allocate limited funds	19%
• Pay fairness	17%
• Desire to encourage synergies across teams and businesses	6%
• Penalize low performers	4%
• Protect company if it doesn't do well financially	3%

Source: Mercer, 2011 *Next Generation of Pay for Performance Survey* report